THE INFLUENCE OF REWARD, LEADERSHIP, AND INFORMATION SYSTEM AS THE PREDICTOR OF LEARNING ORGANIZATION TOWARDS EMPLOYEES PERFORMANCE IN THE GOVERNMENT INSTITUTION

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Abstract—Indonesia is the most populated country in Southeast Asia. The growth population which keeps growing brings about a rapid-growing workforce every year. The limited work opportunity is unable to absorb the workforce in Indonesia. The government, in this case The Ministry of Manpower and Transmigration (Kemenakertrans), takes a role to formulate a strategic policy regarding a conducive and qualified employment and transmigration. Some changes in the internal environment of the government affects changes from individuals in the organization. All individuals involved in it have to change, learn, and grow faster than in the past. The ability of organization and individual in responding changes will be support to face a challenge in achieving the target to create the atmosphere of employment that absorbs workforce in Indonesia. This study aims at discovering the most influential predictor of learning organization towards employees in the government institution. Using SEM analysis technique, the result of this study will suggest The Regional Office of Manpower and Transmigration Department of West Java in its effort to increase the learning of its employees.

Keywords—learning organization, performance

I. INTRODUCTION

The role of organization does not longer focus on the external issue of governmental organization but on how the internal organization enables to last and learn in the middle of existing issue. The learning process in an organization is a new thing that has to be able to be accepted and supported by each side involved. The responsibility of learning organization creation does not only get weighted only by a leader but also it needs everyone’s involvement in the organization. There are various studies about learning organization because learning organization seems to give a positive impact on the organization in the future.

A study regarding learning organization conducted by Griego et al. (2000) shows that there are two predictors in the learning organization, namely rewards and recognition. This study attempts to reconfirm the predictor factors that influence learning organization. This study tries to add the learning organization predictors from the study of Griego et al. (2000), which are rewards and recognition, with the result by Philips (2003) that proves that leadership and system are also the elements of forming learning organization.

The existence of learning process brings about an increase of performance for employees. In increasing the performance in The Regional Office of Manpower and Transmigration Department, this learning process can be an example for other departments. Therefore, it is very positive to examine and to conduct a deeper study regarding learning organization predictors that significantly influence to employee performance. From the research problem, the research questions are:

1. Does reward as a learning organization predictor give a significant influence towards employee performance?
2. Does leadership a learning organization predictor give a significant influence towards employee performance?
3. Does information system as a learning organization predictor give a significant influence towards employee performance?

According to Sudarmanto (2014), ability and characteristics owned by a civil servant in the form of knowledge, skill, and behavior are necessary for doing his job and position so that the civil servant can do his job professionally, effectively, and efficiently. However, it has to be understood that the performance is not only a result of work or work achievement but also it covers how the work process occurs. Wirawan (2009) says that performance (kinerja) stands for work energy kinetics (kinetika energi kerja) resulted by function or indicator of a job or profession in a particular time.

From a couple of definition mentioned above, it can be concluded that performance is an achievement or work result in activities or programs that have been planned beforehand to
achieve the target set by an organization and performed in a
certain amount of time.

Salim and Woodward in Ratinanto and Winarsih (2005) state performance indicators as follows:

a. Economy is the use of resource as least as possible in the
   process of public service implementation;

b. Efficiency is a condition that shows the achievement of the
   best comparison between input and output in public service
   implementation;

c. Effectiveness is the achievement of target that has been set
   either in the form of target, long-term target, or
   organization mission; and

d. Equity is the public service performed by paying attention
equality aspects.

Lenvinne in Ratinanto and Winarsih (2005) states performance indicators as follows:

a. Responsiveness measures provider receptivity towards
   expectation, willingness, aspiration, and customer demand;

b. Responsibility is a measurement to show how far the
   process of public service implementation is done by not
   violating set policies; and

c. Accountability is a measurement to show how big the
   degree of suitability between public service
   implementation and external sizes in the public and owned
   by stakeholders, as values and norms developing in the
   society.

Meanwhile, according to Sarwanto (2008), performance can be assessed or measured using some indicators, such as:

a. Effectiveness, if a group target can be achieved by well-
   planned necessity;

b. Responsibility is an unseparated part or acts as the result of
   authority ownership;

c. Discipline means being obeyed to applied laws and norms.
   Employee discipline means employee’s obedience in
   respecting the work contract to the company where he
   works; and

d. Initiative; it deals with intelligence or creativity in the form
   of an idea related to the company target. Being initiative is
   supposed to be having a good attention from the leader. In
   other words, employee initiative is an encouragement that
   at last will affect employee performance.

An organization that enables to survive is the organization
that can be adjusting towards changes. In the process of
adjustment towards changes, an organization needs to do
learning. According to Robbins (1993), learning is a change
that is relatively permanent from the behavior that occurs as
the result of experience. Huczynsk and David (1994) say that
learning organization is a process to obtain knowledge through
experience which shows a change in behavior. Bennett and
O’Brien in Griego (2000) state strongly that recognition and
rewards are important aspects of building a learning
organization. Moreover, it is stated that the system of
delivering rewards and reward has to support and encourage
both individual and organizational learning. The forms may
vary, for instance giving an reward to the employee who
dare to take a risk to offer to the company where he works
regarding the useful plan of profit sharing for each person
when the organization learns and grows. A company must
create a reward system to motivate the growth of exploration,
innovation, and learning development. There are plenty of
advantages for either individual or organization to be gained
from giving reward, such as a deeper sense of belonging to the
organization. Besides, another advantage is a decreasing
number of turnover and employee absence, a bigger
involvement from employees, and an increasing focus on the
organization values and targets. It is because of the individuals
inside the organization who give rewards and reward to their
performance will feel satisfied and more motivated to embrace
their selves. Everything the organization gives to satisfy one
or some individual needs is called rewards.

A leader takes an important role in the practice of learning
organization. Bui and Baruch (2010) also state that a learning
environment cannot happen if there is no support from leaders
and managers. A leader is responsible to learn and create a
learning environment for his employees to develop their skills.
The research literature reflects that the role of leadership and
learning organization have a conceptual relationship. A
literature review about leadership by Bycio et al., (1995) and
Zacharatos et al. (2000) shows many studies in leadership
measurement and its influence. Leadership always acts as an
important factor of team’s success or failure in the process of
learning and because of that, most studies are limited to
explore the relationship between both success and failure
(Gladstein, 1984 and Zaccaro et al., 2001). However, a leader
is a part of an organizational system as well as contributes to
the success or failure of the whole organization.

Challenge and change are tools for responding knowledge
and skill. By being based on knowledge, there is always
change that keeps developing and being evaluated. Both
knowledge and skill will support each other and become
encouragements for employees. A change of information
system used as one of the forms of office automation allows
the employees to proceed more documents faster and properly
with the OA.

Zietlow (2011) states that when employees are in
an organization that is in a line with their work then a team
would be made and each team member enables to support
other people in the organization. Innovative ideas and
technology system encourage learning development. To gain
and share knowledge, an information system is necessary to
create, maintain, and integrate new information that might be
used to improve organization performance (Tippins and Sohi,
2003).

Thus, the change of information system can cause a better
organization performance through public access for related
information and critical knowledge (Lagu et al., 2009;
Lipshitz et al., 2007). Learning organization has a collective
memory where the information can be gained, stored, recalled,
and managed (Huber, 1991) and spread within the
organization more focusing on staffs to guarantee work
improvement (Tippins and Sohi, 2003; Brown and Brudney
2003; Weldy, 2009; and Carter and Greer, 2013).
II. METHOD

The method used in this study was the quantitative method. According to Sugiyono (2009:13), a quantitative method can be defined as a research method used to study particular population or sample as well as the data collection uses research instrument with a quantitative/statistical data analysis technique and it aims to test the hypothesis that has been set.

To test the proposed hypothesis in this study, the analysis technique used was SEM or Structural Equation Modelling operated through AMOS software. Research modeling through SEM allows a researcher to answer research questions that are dimensional (that is to measure what sort of indicators from a concept) and regressive (to measure influence or degree of the relationship between factors where their dimension have been identified). A complete SEM modeling basically consists of Measurement Model and Structure Model.

The measurement model is used to confirm the dimensions developed by a factor. The structural model is a model regarding a structure of relationship forming or explaining causality between factors. By concerning what variables to test, the hypothesis test in a study is stated in a statistical hypothesis as follows:

2. Partial hypothesis:
   a) Reward affects employee performance significantly.
   b) Leadership affects employee performance significantly.
   c) Information system affects employee performance significantly.

This study uses two types of analysis techniques, namely:

1. Confirmatory Factor Analysis
   Confirmatory factor analysis on SEM is used to confirm the most dominant factors in a group of variables. In this study, the confirmatory factor analysis is used to examine indicators forming the variable of reward, leadership, information system, and employee performance.

2. Regression Weight
   Regression weight on SEM is used to study how big an influence occurs between independent variables (reward, leadership, information system) and employee performance variable. In this study, the regression weight is used to examine hypothesis H1, H2, and H3.
   The purpose of confirmatory factor analysis is to examine uni-dimensionality from the dimensions of former each latent variable. To conduct this confirmatory factor analysis, the first step to do is to depict those latent variables as well as the dimensions forming it.

   • CFA Reward
   The confirmatory factor analysis that constructs reward is conducted to see whether the dimension used to measure reward variable can be accepted according to the requirement. The result of analysis can be seen in Table 1:

   **Table 1: CFA Reward Validity**

<table>
<thead>
<tr>
<th>Manifest Variabel</th>
<th>A</th>
<th>Critical Point</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rew1</td>
<td>0.83</td>
<td>0.5</td>
<td>Valid</td>
</tr>
<tr>
<td>Rew2</td>
<td>0.76</td>
<td>0.5</td>
<td>Valid</td>
</tr>
</tbody>
</table>

Based on Table, it can be seen that the manifest variable has the loading factor ($\lambda$) $\geq$ 0.5. It shows that every indicator on reward construct (latent variables) is valid or significant. Thus, it can be concluded that the manifest variable from the reward variable has shown uni-dimensionality and furthermore, it can be used to measure the form of variables. In other words, the reward variable can be measured through intrinsic and extrinsic manifest variable.

Based on the data process, CR score from the latent variable is 0.781 and VE is 0.6. It means the reward latent variable can be considered as reliable.

   • CFA Leadership
   The confirmatory factor analysis that constructs leadership aims at seeing whether the dimensions used to measure leadership variable can be accepted according to the requirement. The result of analysis can be seen in Table 2:

   **Table 2: CFA Leadership Validity**

<table>
<thead>
<tr>
<th>Manifest Variabel</th>
<th>A</th>
<th>Critical Point</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>KEP1</td>
<td>0.74</td>
<td>0.5</td>
<td>Valid</td>
</tr>
<tr>
<td>KEP2</td>
<td>0.95</td>
<td>0.5</td>
<td>Valid</td>
</tr>
</tbody>
</table>

Based on Table, it can be seen that every indicator (manifest variables) has the loading factor ($\lambda$) $\geq$ 0.5. It shows that every dimension on leadership construct (latent variables) is valid or significant. Thus, it can be concluded that the manifest variable from the leadership variable has shown uni-dimensionality and furthermore, it can be used to measure the form of variables. In other words, the leadership variable can be measured through manifest variable to create opportunities and encourage knowledge search.

Based on the data process, CR score from the latent variable is 0.843 and VE is 0.7. It means the leadership latent variable can be considered as reliable.
• **CFA Information System**

The confirmatory factor analysis that constructs information system aims at seeing whether the dimensions used to measure information system variable can be accepted according to the requirement. The result of analysis can be seen in Table.

<table>
<thead>
<tr>
<th>Manifest Variabel</th>
<th>A</th>
<th>Critical Point</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>SI1</td>
<td>0.83</td>
<td>0.5</td>
<td>Valid</td>
</tr>
<tr>
<td>SI2</td>
<td>0.86</td>
<td>0.5</td>
<td>Valid</td>
</tr>
</tbody>
</table>

Based on Table, it can be seen that every indicator (manifest variables) has the loading factor (λ) ≥ 0.5. It shows that every dimension on system information construct (latent variables) is valid or significant. Thus, it can be concluded that the manifest variable from the information system variable has shown uni-dimensionality and furthermore, it can be used to measure the form of variables. In other words, the performance variable can be measured through the manifest variable of accuracy, exactness, and relevance.

Based on the data process, CR score from the latent variable is 0.834 and VE is 0.6. It means the performance latent variable can be considered as reliable.

• **CFA Performance**

The confirmatory factor analysis that constructs performance aims at seeing whether the dimensions used to measure performance variable can be accepted according to the requirement. The result of analysis can be seen in Table.

<table>
<thead>
<tr>
<th>Manifest Variabel</th>
<th>A</th>
<th>Critical Point</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>KIN1</td>
<td>0.72</td>
<td>0.5</td>
<td>Valid</td>
</tr>
<tr>
<td>KIN2</td>
<td>0.63</td>
<td>0.5</td>
<td>Valid</td>
</tr>
<tr>
<td>KIN3</td>
<td>0.98</td>
<td>0.5</td>
<td>Valid</td>
</tr>
</tbody>
</table>

Based on Table, it can be seen that every indicator (manifest variables) has the loading factor (λ) ≥ 0.5. It shows that every dimension on performance construct (latent variables) is valid or significant. Thus, it can be concluded that the manifest variable from the performance variable has shown uni-dimensionality and furthermore, it can be used to measure the form of variables. In other words, the performance variable can be measured through the manifest variable of effectiveness, discipline, and responsibility.

Based on the data process, CR score from the latent variable is 0.840 and VE is 0.7. It means the performance latent variable can be considered as reliable.

**III. RESULT**

The amount of respondent in this study is 108 from the population of 126 employees in the Regional Office of Manpower and Transmigration Department of West Java. Then, the identity of the respondents is classified based on their age, sex, level, and length of work.

The data of the respondents based on the process show that the highest percentage is 19% of the employee at 36—40 years old. That number is not quite different to the employee at 26—30 years old which is 17%. It can be concluded that the employees do not get fully dominated by senior employees. So, in term of the work and mind set the employees are not limited by age.

This study also involves male respondents that are more than female. It can be seen that the male employee is 51%. That number is in accordance with the data from the Regional Office of Manpower and Transmigration Department of West Java which shows the majority of the employee is male.

Besides, there are also status and level percentages from the employee of the Regional Office of Manpower and Transmigration Department of West Java. From the figure, it shows that the majority of the employee with 28% is IIIa level. The employees in this level are those who have formal undergraduate education or diploma and above (Government Regulation No. 98 in 2000 about Civil Servant Procurement). So, the respondents have a comprehensive understanding towards the study.

The writer also needs the information of the length of work in the Regional Office of Manpower and Transmigration Department of West Java to discover the employees' understanding during they work. From 108 respondents, the 34% of them are those who have worked for 20—30 years. Within this length of work that is more than 10 years, the respondents observed are those who have experienced various changes occurred in the Regional Office of Manpower and Transmigration Department of West Java.

• **Descriptive Analysis**

Descriptive analysis gives a general description regarding the data obtained in this study. Through descriptive analysis, a frequency can be seen from each answer of questionnaire spread to the respondents in this study. The frequency in the descriptive statistic table is shown in the unit of percentage.
number. Since the amount of respondent is 108 employees, the total number of percentage from each response is 100%.

1) Reward Variable

Based on the data process, the percentage from the dimensions in the reward variable is 83.8% for intrinsic reward dimension and 76.1% for extrinsic reward dimension. Between those dimensions, the biggest score goes to intrinsic reward. The respondents think that work improvement gets highly affected by the intrinsic reward from the Regional Office of Manpower and and Transmigration Department of West Java. The employees have to foreground the importance of the department than personal importance as a part of responsibility as a civil servant. The employees also have to be responsible to get their job done in accordance to the target work made by each employee.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Recommended Value</th>
<th>Model Evaluation</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Probabilities</td>
<td>p &gt; 0.05</td>
<td>Signifikan</td>
<td>0.331</td>
</tr>
<tr>
<td>Normed Chi-Square (X2/df)</td>
<td>&lt; 2</td>
<td>Fit</td>
<td>0.253</td>
</tr>
<tr>
<td>RMSEA</td>
<td>&lt; 0.05</td>
<td>Fit</td>
<td>0.034</td>
</tr>
<tr>
<td>P-value for test of close fit</td>
<td>&gt; 0.05</td>
<td>Signifikan</td>
<td>0.331</td>
</tr>
<tr>
<td>GFI</td>
<td>0-1</td>
<td>Fit</td>
<td>0.970</td>
</tr>
<tr>
<td>AGFI</td>
<td>0-1</td>
<td>Fit</td>
<td>0.895</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Recommended Value</th>
<th>Model Evaluation</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comparative Fit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NFI</td>
<td>0-1</td>
<td>Fit</td>
<td>0.975</td>
</tr>
<tr>
<td>NNFI or Tucker Lewis</td>
<td>0-1</td>
<td>Fit</td>
<td>0.992</td>
</tr>
<tr>
<td>Index (TLI)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CFI</td>
<td>0-1</td>
<td>Fit</td>
<td>0.997</td>
</tr>
<tr>
<td>RFI</td>
<td>0-1</td>
<td>Fit</td>
<td>0.932</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Recommended Value</th>
<th>Model Evaluation</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parsimonious Fit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PNFI</td>
<td>0-1</td>
<td>Bigger is better</td>
<td>0.352</td>
</tr>
<tr>
<td>PGFI</td>
<td>0-1</td>
<td>Bigger is better</td>
<td>0.360</td>
</tr>
</tbody>
</table>

The test result of model conformity shown in the figure and table shows p-value score which is 0.331 and RMSEA 0.034 categorized as fit. The same thing is applied to other criteria, like chi-square, probability, GFI, CFI, TLI, and other tests to show results that fit with the requirements. The next test is causality significance test through regression weight test. The test is conducted by seeing CR score and its probability.

The result of regression weight test shows that there are two latent variables that affect employee performance, namely reward and information system. It is shown by CR score above 2.0 which means both latent variables influence significantly towards employee performance. The hypothesis test is conducted to examine the hypotheses proposed above. If the result of data process shows the score that fits with the requirement then the research hypothesis proposed can be accepted. Afterwards, the discussion regarding hypothesis testing will be done stage by stage in accordance with the order of hypothesis proposed.

a. Hypothesis 1: Reward has a significant influence towards performance.

From the process, it is known that the tcoun score of reward towards performance is 5.566 and Sig score 0.000 If the Sig score is smaller than α (0.05) then H1 is accepted. It means reward has a significant influence towards performance. This result implies that the reward given by the Regional Office of Manpower and Transmigration Department of West Java does encourage the atmosphere of learning in the organization to grow. It is due to the reward given by the department is in accordance to work assessment without seniority factor in it.

b. Hypothesis 2: Leadership has a significant influence towards performance.

From the process, it is known that the tcoun score of leadership towards performance is 0.566 and Sig score 0.578. If the Sig score is bigger than α (0.05) then H2 is rejected. It means leadership does not have a significant influence towards performance. This result implies that the leadership done by the Regional Office of Manpower and Transmigration Department of West Java does not encourage the atmosphere of learning in the organization to grow.

c. Hypothesis 3: Information system has a significant influence towards performance.

From the process, it is known that the tcoun score of information system towards performance is 3.223 and Sig score 0.001 If the Sig score is smaller than α (0.05) then H3 is accepted. It means information system has a significant influence towards performance. This result implies that the information system that exists in the Regional Office of Manpower and Transmigration Department.

The knowledge gained will emerge the atmosphere of learning for the employees so their performance is getting better. In fact, in overcoming problems, the employees in the Regional Office of Manpower and Transmigration Department of West Java will also get an opportunity to learn new things
to each task given. It means the employees can enjoy every single process in finishing their job. It is a good condition to maximize their potential skill and capability.

The next predictor which affects significantly is information system. The result proves that information system takes an important role to support learning organization in affecting employee performance. This situation is understandable in a sense; the learning process towards „something new” needs to be supported by a proper and accurate information system. It is supported by the response from the respondents in information system dimension “accuracy and exactness”, where the highest score is the statement that information system has fulfilled the need of information in each unit. With the system, it will be really helping the employees in looking for information as well as data collecting quickly. It is due to the existing system enables to integrate information from various work units. Much ease obtained by the employees do not escape from how the system works that is easily understood by the employees.

In the use of information system, the employees also do the learning process so they do not get difficulties in accessing the existing system. The fact shows that the employees highly depend on the information system in their activities. The dependence is assessed from the response from the respondents, which is 50%, which say strongly agree to the statement that the pace in finishing jobs really depends on the information system.

The next one is a learning organization predictor but it does not affect directly to the performance which is leadership. With the lowest CR score and its insignificance, it proves that the employees do not depend on leadership in realizing the learning process. The existence of a leader in the learning process is quite helping the employees to overcome problems. It can be seen from the respondents’ response that is high at the amount of 439 towards the statement. Leaders can create a comfortable work environment to share knowledge to each employee. So the employees do not hesitate to ask or discuss with the leaders.

Overall, either the result is descriptive or regressive regarding those three predictors includes into a good category. It means the learning process in the internal organization can run continually. Employees that grow in an organization that supports the learning enable to achieve a better performance improvement. The employees will be motivated to improve their quality. These motivated employees will keep growing and developing as well as actively looking for new solutions in overcoming problems and they will have a bigger opportunity to increase their performance.

Employee awareness regarding performance can be seen from the respondents' response which is 55.6% stating agree to the statement “employees feel free in overcoming problems in work by their own way”. With freedom in overcoming the problems, the employees are directly trained to be independent and wise in facing things. It certainly will increase employees’ ability more so the result of various learning can be seen when there is a performance assessment.

References


